



WAM ACTIVE LIMITED (WAA)
ABN 49 126 420 719
INVESTMENT UPDATE & NET TANGIBLE ASSETS REPORT
MARCH 2013

Company overview

WAM Active Limited (WAA) is a listed investment company that provides investors exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets.

Investment objective

The investment objectives are to deliver investors a growing income stream in the form of fully franked dividends and to preserve capital.

Positive returns

Since inception, the WAA investment portfolio has delivered positive returns in the short and long term. The performance against the S&P/ASX All Ordinaries Accumulation Index is set out in the table below. The investment performance is before expenses, fees and taxes.

Performance as at 31 March 2013	1 Mth %	6 Mths %	Fin YTD %	1 Year %	2 Yrs %pa	3 Yrs %pa	Since Inception (Jan-08) %pa
WAA Investment Portfolio	-0.1%	+15.9%	+21.4%	+20.8%	+12.4%	+10.9%	+13.7%
S&P/ASX All Ordinaries Accumulation Index	-2.2%	+15.4%	+24.8%	+17.8%	+5.1%	+5.0%	-0.4%
Outperformance	+2.1%	+0.5%	-3.4%	+3.0%	+7.3%	+5.9%	+14.1%

Net Tangible Asset (NTA) figures

The following NTA figures are before the payment of the 4.75 cent per share fully franked interim dividend which is due to be paid on 19 April 2013. The shares traded ex-dividend on 8 April 2013. The figures below have not been adjusted for the 10,181,591 remaining options on issue with an exercise price of \$1.08 per share.

NTA before tax	116.90c
NTA after tax and before tax on unrealised gains	116.50c
NTA after tax	113.89c

Market outlook

The S&P/ASX All Ordinaries Accumulation Index finished down 2.2% in March. This was the end of a 9 month rally that had seen the market rise every month since last May. A revival of concerns around the European sovereign debt crisis from the Cyprus bailout destabilised financial markets. We also had news from China which suggested the central bank and ministry of housing will seek to dampen Chinese house price growth. This news particularly affected the resources and mining services sector.

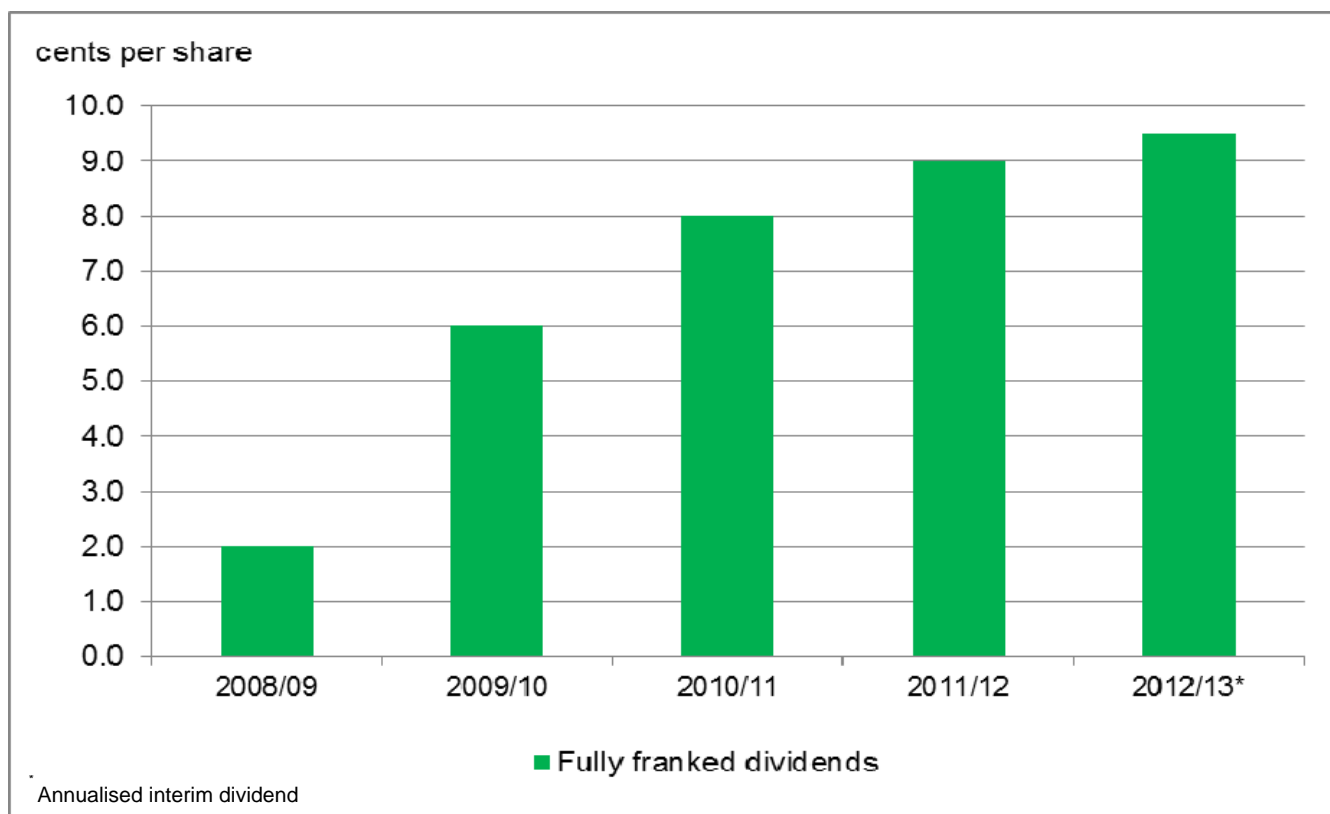
The RBA left rates on hold in both March and April and we believe that they will not cut rates any further this year. Improving house prices, retail sales and consumer confidence suggest that the rate cuts delivered over the last 18 months are finally starting to have an impact. The RBA will probably adopt a wait and see approach over this year in order to judge the effectiveness of previous rate cuts. Should this turnaround in consumer sentiment, retail sales and housing continue to strengthen, companies exposed to these sectors will be well positioned.

Dividends – 4.75 cents per share fully franked interim

On 21 February 2013, the Company announced a fully franked interim dividend of 4.75 cents per share. This is a 5.6% increase on the previous year's interim dividend and represents an annualised fully franked dividend yield of 8.1% based on the last sale price.

The Board is committed to paying an increasing stream of fully franked dividends to shareholders provided the Company has sufficient franking credits and it is within prudent business practices. It must also comply with Government legislation and the ATO's interpretation of a company's ability to pay franked dividends. Dividends are paid on a six-monthly basis. Dividend payments will also be made with consideration to cash flow and cash holdings.

WAM Active Dividends



Option issue – 1 for 1 bonus issue

On 4 May 2012, the Board announced a 1 for 1 bonus issue of options to acquire ordinary shares in the capital of the Company. The options were allotted to shareholders on 25 June 2012. The options have an exercise price of \$1.08 per share and can be exercised at any time on or before 12 December 2013. The options are currently trading on the ASX under the code WAAO.

As at 31 March 2013, 6,128,354 options have been exercised for a total consideration of \$6,618,622 with a remaining balance of outstanding options being 10,181,591.

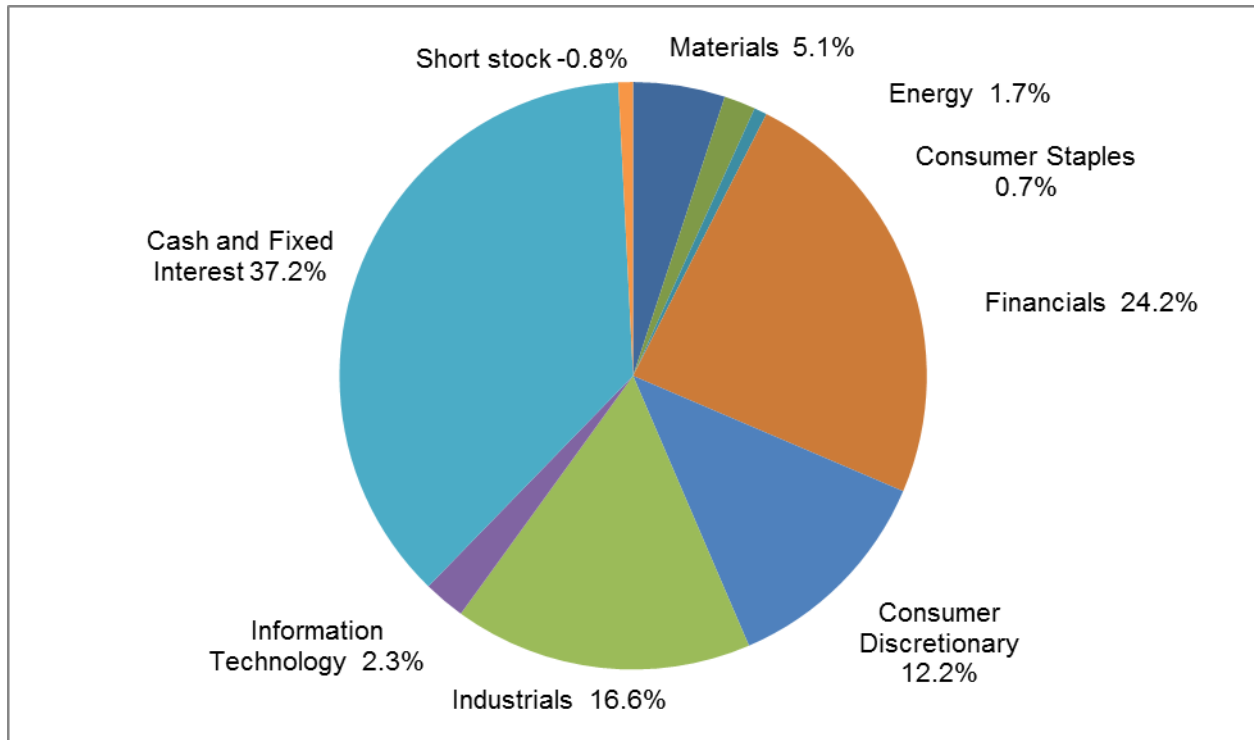
Portfolio structure

Investment Type	As at 28 Feb 2013		As at 31 Mar 2013	
	\$m	%	\$m	%
Australian Equities	21.6	85.8%	17.4	62.8%
Fixed Interest and Cash	3.6	14.2%	10.3	37.2%
Total Long Portfolio	25.2	100.0%	27.7	100.0%
Total Short Portfolio	(0.0)	(0.0%)	(0.2)	(0.8%)
Total Fund Size	\$25.2m		\$27.5m	
	No.		No.	
Total ordinary shares on issue	20,541,624		22,613,836	
Total options on issue	12,253,803		10,181,591	

At 31 March 2013 the major securities held in the portfolio were as follows:

Code	Company	Market Value \$	Market Value as % Gross Assets
CYA	Century Australia Investments Limited	973,434	3.5%
HIL	Hills Holdings Limited	917,967	3.3%
ELI	Emerging Leaders Investments Limited	848,206	3.1%
BKW	Brickworks Limited	819,965	3.0%
HVN	Harvey Norman Holdings Limited	734,643	2.7%
INA	Ingenia Communities Group	719,892	2.6%
CYG	Coventry Group Limited	671,191	2.4%
SDG	Sunland Group Limited	601,735	2.2%
WIC	Westoz Investment Company Limited	597,378	2.2%
FGE	Forge Group Limited	575,208	2.1%
FXJ	Fairfax Media Limited	566,018	2.0%
CDA	Codan Limited	546,883	2.0%
TEN	Ten Network Holdings Limited	527,669	1.9%
CLO	Clough Limited	506,566	1.8%
MIO	Miclyn Express Offshore Limited	478,641	1.7%
PRT	Prime Media Group Limited	465,975	1.7%
MYR	Myer Holdings Limited	458,808	1.7%
CAA	Capral Limited	458,724	1.7%
KSC	K & S Corporation Limited	434,945	1.6%
IFL	IOOF Holdings Limited	368,752	1.3%

Portfolio structure – sector allocation



Positive performance – yearly comparison to S&P/ASX All Ordinaries Accumulation Index

Set out below is the performance of WAA's investment portfolio since listing to 31 March 2013 on a financial year basis. The performance data is before all expenses, fees and taxes and is used as a guide to how the Company's investment portfolio has performed against the S&P/ASX All Ordinaries Accumulation Index which is also a before tax and expenses measure.

Financial Year	WAA Investment Portfolio	S&P/ASX All Ordinaries Accumulation Index	Outperformance
2007/2008	+2.2%	-15.2%	+17.4%
2008/2009	+9.6%	-22.2%	+31.8%
2009/2010	+22.7%	+13.8%	+8.9%
2010/2011	+11.5%	+12.2%	-0.7%
2011/2012	+5.5%	-7.0%	+12.5%
2012/2013 YTD	+21.4%	+24.8%	-3.4%

Performance - monthly comparison

The table below shows the month by month investment performance of WAA against the S&P/ASX All Ordinaries Accumulation Index.

	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08
Investment Portfolio	+0.3%	+1.2%	+0.5%	+1.6%	+2.4%	-3.7%	-1.1%
All Ords Accum.	-11.2%	+0.3%	-4.1%	+4.6%	+2.5%	-7.3%	-5.2%
	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09
Investment Portfolio	+0.1%	-3.8%	-5.3%	-5.2%	+3.4%	-1.9%	+0.6%
All Ords Accum.	+4.0%	-10.6%	-13.9%	-7.2%	-0.1%	-4.9%	-4.3%
	Mar 09	Apr 09	May 09	Jun 09	July 09	Aug 09	Sep 09
Investment Portfolio	+4.5%	+7.6%	+5.0%	+6.2%	+9.6%	+7.5%	+6.2%
All Ords Accum.	+8.1%	+6.1%	+2.2%	+3.9%	+7.7%	+6.5%	+6.0%
	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10
Investment Portfolio	+2.1%	+0.3%	+1.0%	-3.6%	+0.0%	+2.9%	+0.4%
All Ords Accum.	-1.9%	+1.9%	+3.7%	-5.8%	+1.8%	+5.8%	-1.2%
	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10
Investment Portfolio	-4.0%	-0.9%	+1.6%	+0.1%	+2.7%	+1.3%	+2.3%
All Ords Accum.	-7.6%	-2.6%	+4.2%	-0.7%	+5.0%	+2.2%	-0.7%
	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11
Investment Portfolio	+3.6%	+0.7%	-0.3%	+0.4%	+2.5%	-1.6%	-2.3%
All Ords Accum.	+3.8%	+0.1%	+2.2%	+0.6%	-0.6%	-1.9%	-2.4%
	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12
Investment Portfolio	+0.0%	-1.2%	+0.7%	+2.1%	-0.4%	-1.0%	+1.0%
All Ords Accum.	-3.4%	-2.0%	-6.3%	+7.2%	-3.4%	-1.6%	+5.2%
	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12
Investment Portfolio	+3.5%	+1.1%	+0.0%	-1.6%	+1.1%	+1.2%	+2.0%
All Ords Accum.	+2.4%	+1.2%	+1.1%	-6.9%	+0.3%	+3.7%	+2.1%
	Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13
Investment Portfolio	+1.4%	+1.9%	+0.7%	+2.7%	+5.3%	+4.6%	-0.1%
All Ords Accum.	+2.1%	+3.0%	+0.3%	+3.4%	+5.1%	+5.2%	-2.2%
							Since Inception
Investment Portfolio							+96.2%
All Ords Accum.							-2.2%

The change in the portfolio before all expenses, fees and taxes.

Investor Presentations

The team at Wilson Asset Management enjoys the opportunity to meet with you at the semi-annual investor presentations to be held on the following dates:

Melbourne: 30 April 2013
 Adelaide: 1 May 2013
 Sydney: 2 May 2013
 Brisbane: 3 May 2013

We look forward to seeing you and please feel free to invite any other interested parties.

For more information

Please contact Geoff Wilson, Chris Stott or Kate Thorley.

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